

RECORDATION NO. 24712 FILED

DEC 03 '03

4-22 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

December 3, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Mortgage, dated as of December 3, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Debtor: Babcock & Brown Rail Funding LLC
230 Park Avenue
New York, New York 10169

[Secured Party: Bayerische Hypo-Und Vereinsbank AG, Agent
FPA 4 Lease/Asset Finance
Am Tucherpark 1 (FPA)
80538 Munich
Germany]

Mr. Vernon A. Williams
December 3, 2003
Page Two

A description of the railroad equipment covered by the enclosed document
is:

100 railcars SOO 600000 – SOO 600099 and 40 railcars WC 37610 –
WC 37649.

A short summary of the document to appear in the index is:

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$30.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr
Enclosures

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EXECUTION COPY

MEMORANDUM OF MORTGAGE

Memorandum of Mortgage, made and entered into as of December 3rd, 2003 between BABCOCK & BROWN RAIL FUNDING LLC, (the "**Debtor**") and BAYERISCHE HYPO-UND VEREINSBANK AG, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "**Secured Party**"). Terms used in this instrument have the meanings assigned thereto in the Amended and Restated Security Agreement dated as of October 18, 2002 (as supplemented, including by Security Agreement Supplement No. 5 dated the date hereof, the "**Security Agreement**") between the Secured Party and the Debtor.

WITNESSETH:

The undersigned and the Secured Party have entered into the Security Agreement, by which the Debtor has granted a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each lease referred to on Exhibit B attached hereto to the Secured Party in order to secure the Debtor's performance of its obligations as described in the Security Agreement.

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

BABCOCK & BROWN RAIL FUNDING LLC

By 

Name: Ross Sullivan

Title: Vice President

STATE OF CALIFORNIA)
) ss.:
COUNTY OF SAN FRANCISCO)

On the 2nd day of December in the year 2003 before me personally came Ross Sullivan to me known, who, being by me duly sworn, did depose and say that he is the Vice President duly appointed of Babcock & Brown Rail Funding LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of said limited liability company.

Heidi Wagner
Notary Public

[Notarial Seal]



Memorandum of Mortgage

NEWYORK/128021.1

**Exhibit A
to Memorandum of Mortgage**

EQUIPMENT

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	100	2003	73' Centerbeam Flatcars with riserless deck, 286,000 GRL, AAR Code F483, manufactured by TrentonWorks Limited	SOO600000- SOO600099, inclusive	None.
2	40	2003	73' Centerbeam Flatcars with riserless deck, 286,000 GRL, AAR Code F483, manufactured by TrentonWorks Limited	WC37610-WC37649, inclusive	None.

Exhibit B
to Memorandum of Mortgage

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease #

1. Lease Agreement made as of September 1, 2003, by and between Greenbrier Leasing Corporation and Soo Line Railroad Company.

Schedule No. 1 to Lease Agreement made as of September 1, 2003, between Greenbrier Leasing Corporation and Soo Line Railroad Company.

Memorandum of Lease made as of September 1, 2003, by and between Greenbrier Leasing Corporation and Soo Line Railroad Company.

Bills of Sale dated September 30, 2003, October 15, 2003, and October 31, 2003, from TrentonWorks Limited to Greenbrier Leasing Corporation and the Certificates of Acceptance executed by Greenbrier Leasing Corporation in relation to the railcars identified in each Bill of Sale.

Bill of Sale dated December 3, from Greenbrier Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Certificate of Acceptance of Railroad Cars dated November 25, 2003, executed by Soo Line Railroad Company, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Purchase Agreement [GLC/BBRF] dated as of December 3, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Assignment and Assumption Agreement, dated as of December 3, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Notice and Acknowledgment dated November 26, 2003, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to Soo Line Railroad Company, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Notice Pursuant to Notice and Acknowledgment dated December 3, 2003, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to

Soo Line Railroad Company, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Warranty Assignment [Soo Line] dated as of December 3, 2003, between Greenbrier Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Manufacturer's Consent dated December 3, 2003, made by TrentonWorks Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Guaranty Agreement dated as of September 1, 2003, by Canadian Pacific Railway Company in favor of Greenbrier Leasing Corporation.

2. Lease Agreement dated as of October 1, 2003, by and between Greenbrier Leasing Corporation and Wisconsin Central Ltd.

Rider No. 1 to Lease Agreement made as of October 1, 2003, between Greenbrier Leasing Corporation and Wisconsin Central Ltd.

Memorandum of Lease Agreement made as of October 1, 2003, by and between Greenbrier Leasing Corporation and Wisconsin Central Ltd.

Bills of Sale dated October 31, 2003, November 15, 2003, and November 24, 2003, from TrentonWorks Limited to Greenbrier Leasing Corporation and the Certificates of Acceptance executed by Greenbrier Leasing Corporation in relation to the railcars identified in each Bill of Sale.

Bill of Sale dated December 3, from Greenbrier Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Certificate of Acceptance of Railroad Cars dated November 25, 2003, executed by Wisconsin Central Ltd., in respect of the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Purchase Agreement [GLC/BBRF] dated as of December 3, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Assignment and Assumption Agreement, dated as of December 3, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Notice and Acknowledgment and Amendment of Lease dated November 25, 2003, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to Wisconsin Central Ltd., in respect of the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Notice Pursuant to Notice and Acknowledgment and Amendment dated December 3, 2003, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to Wisconsin Central Ltd., in respect of the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Warranty Assignment [Wisconsin] dated as of December 3, 2003, between Greenbrier Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Manufacturer's Consent dated December 3, 2003, made by TrentonWorks Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 2" in Exhibit A hereto.

Together with all substitutions, replacements and renewals of the property above described, and all property which shall hereafter become physically attached to or incorporated in the property above described, whether the Debtor now has rights therein or such rights shall hereafter be acquired by it.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

12/3/03



Robert W. Alvord